

PROJECT AGREEMENT/MARKET SURVEY
FOR
PATENT DATA CAPTURE PRODUCTS
ISSUED BY
THE UNITED STATES PATENT AND TRADEMARK OFFICE

1. **BACKGROUND & PURPOSE**

The United States Patent and Trademark Office (PTO), Office of Patent Publication, seeks to award a contract to acquire a variety of products. This contract will provide the PTO and its customers with continued and improved patent data capture products as well as incorporate options for additional requirements or services. The resulting contract will provide, but will not be limited to, the following requirements:

1) Conversion of allowed patent application files from paper into electronic format (PostScript®) for the publication of the Official Gazette (OG) each Tuesday (issue day) for PTO and its customers; and

2) Conversion of allowed patent application files from paper into electronic format (PostScript®) for the dissemination of various patent paper copies, ASCII text, and image files to PTO and its customers.

The purpose of this Project Agreement is to identify, collect, and analyze information about innovative approaches and new technologies that are currently available within the market to satisfy agency needs. Interested parties are able to obtain a general description of the acquisition and engage in an open exchange of ideas, comments, and suggestions with the PTO Patent Data Capture Project Team regarding innovative approaches, technological advances, PTO acquisition strategy, and evaluation methodologies. **This Project Agreement is NOT a formal solicitation for proposals.**

In fulfilling this strategic planning objective, the PTO will be utilizing a new, streamlined acquisition process described in the document entitled **Department of Commerce (DOC) Acquisition Process Case for Change**, available at <http://www.conops.doc.gov>. In order to successfully implement this new acquisition process, the PTO seeks the cooperation of the vendor community in an effort to conduct business fairly, in an atmosphere of integrity, openness, and fairness. The PTO highly encourages the use of alternative dispute resolution procedures to settle any disagreement resulting from the use of this streamlined acquisition process, such as the Department of Commerce's new agency level protest procedures which are included in this Project Agreement by reference. (See Federal Acquisition Regulation (FAR) clause 33.103).

This Project Agreement will establish an agreement between the Project Team and the Director of the Office of Patent Publication which empowers the Project Team to research and acquire the services necessary to allow the Office of Patent Publication to provide high quality products to its customers. This Project Agreement outlines the Project Objective with abbreviated descriptions of current deliverables, Project Team duties, estimated budget, high-level milestones and ground rules associated with this Project.

To gain a better understanding of this new and innovative acquisition process, it is vital to understand where the Government has been and where the Government is going. The Government Performance and Results Act of 1993 (GPRA) was developed at a time when resources were limited and public demands for services were high. With the potential for adding greatly to Government performance, GPRA forces a shift in the focus of federal agencies away from the traditional concerns such as staffing

and activity levels and toward a single overriding issue: results. GPRA forces agencies to define their mission, establish goals and determine how those goals will be met, establish performance measures, use the information gathered from those performance measures to make improvements, and report on their accomplishments. In keeping with GPRA, the Information Technology Management Reform Act of 1996 (ITMRA) was developed to require that agencies set goals, measure performance and report on progress in improving the efficiency and effectiveness of operations through the use of information technology.

Consistent with GPRA and ITMRA, any resulting contract(s) will contain performance-based measures emphasizing quality and customer satisfaction.

2. AUTHORITY

This Project Agreement is hereby authorized by the Director of the Office of Patent Publication of the PTO and is identified as a requirement of the Assistant Commissioner for Patents. This project is also authorized under the PTO Strategic Information Technology Plan (SITP) for Fiscal Years 1997 - 2002 published in May 1997, which contains details regarding the PTO's comprehensive mission statement, goals and objectives.

3. PROJECT OBJECTIVE

The Patent Data Capture Project Objective is to obtain a Contractor capable of furnishing the PTO and its customers with continued and improved patent data capture services covering, but not limited to, the following high quality deliverables that are currently being provided:

- 1) Conversion of allowed patent application files from paper into electronic format (PostScript®) for the publication of the Official Gazette each Tuesday (issue day) for PTO and its customers; and
- 2) Conversion of allowed patent application files from paper into electronic format (PostScript®) for the dissemination of various patent paper copies, ASCII text, and image files to PTO and its customers.

In the future, the source data for these two aforementioned requirements may be provided in electronic format. Additionally, the dissemination effort as noted in requirement number two above may include Standard Generalized Markup Language (SGML) and/or HyperText Markup Language (HTML) files.

As part of this Project Objective, the PTO will explore the feasibility of acquiring and potentially implementing the following optional requirement pending legislative approval: Pre-Grant Publication (PGPub) covering the publication of patent applications 18 months after the effective filing date via an Official Gazette of Patent Applications and other possible publications. This optional requirement as stated above may or may not be exercised during the term of any resulting contract.

The PTO's goal is to award the contract by February 1998. This date does not constitute a commitment by the PTO that this milestone will be achieved, but is strictly an estimate for planning purposes.

The following is a brief description of deliverables required by the PTO as provided by the current Contractor. Interested parties are encouraged to respond to all of the following with innovative and creative approaches for the accomplishment of the work.

3.1 General

Paper patent application files (i.e., Government Furnished Property (GFP)) will be provided for data preparation and processing of a patent issue. The Contractor is permitted to "rearrange" the papers in a patent application file to facilitate the data preparation work. However, the Contractor restores all rearranged files to the original condition in which the Contractor received them. All patent application information is confidential prior to issue day (Tuesday). The processing of patent application information must be performed in a secure environment.

The patent application file contains both line drawings and continuous tone drawings. Drawings from the patent application files may have markings or imperfections, such as a date stamp placed on a drawing figure or red ink markings. Deliverable products containing drawings are to be free of all imperfections.

The PTO is currently issuing approximately 2,500 patents each Tuesday (issue day). It should be noted that even when issue sizes are approximately the same, the volume of characters and codes within the issues may vary significantly. The issue size may increase approximately 3% per year.

The Contractor processes paper applications to produce the products required by this contract. All of the applicable patent text data and drawing(s), including all Complex Work Units (CWUs) such as tables, mathematical formulas and equations, genetic sequences, and chemical structures including diagrams, formulas, flowcharts, etc., are contained in the patent application files. The CWUs are currently being captured in both image format and in a text format using a specific PTO tagging convention.

Pertinent reference material (e.g., glossary and technical references) will be made available to interested parties in the vendor information center (i.e., "reading room") (See Section 12-- Availability of Documents for Review).

3.1.1 Estimated Production Volumes

The PTO will have recurring requirements for the needed products, but the exact quantity will vary depending upon PTO's approval of patent applications granted during each contract year. The contract requires timely production of products on a weekly basis that must be delivered in accordance with a stringent production schedule. Products with unacceptable quality or late delivery impact the PTO's publishing schedule as well as impacting other PTO contracts.

Patents Issued In 1996 \Rightarrow 121,806

Current Patent Volumes

The following volumes are current estimates provided for informational purposes only and does not constitute a commitment from PTO that this will be actual volumes of a future contract(s).

Avg. # of patents / issue	=>	2,500
Avg. # of drawing pages / application	=>	5
Avg. Patent PostScript® Files / issue (for Print and Microfilm Deliverable)	=>	1.7 Mbytes per patent & 4.3 Gbytes per issue
Avg. Patent O.G. PostScript® File / issue	=>	380 Mbytes
Avg. Patent O.G. Notices / issue	=>	350 Kbytes
Avg. Patent Full Text File / issue	=>	105 Mbytes
Avg. Patent Image File / issue	=>	1.3 Gbytes

3.2 ITEM 1 - Data Capture

The Contractor captures all patent types listed below. This data capture will be utilized in the creation of all contract deliverables (ITEMs 2 through 10). The Contractor captures data from patent application files in a manner that facilitates satisfying the quality requirements of deliverable items. The Contractor will be responsible for verifying that all required data is present in the application files, in accordance with PTO's technical references.

ITEM 1a.	Utility Patents
ITEM 1b.	Reissue Patents
ITEM 1c.	Statutory Invention Registration (SIR) Certificates
ITEM 1d.	Design Patents
ITEM 1e.	Plant Patents
ITEM 1f.	Reexamination Certificates (Not currently required for ITEM 8)

The PTO requires the ability to quickly obtain paper documents contained in the patent application files which are undergoing processing. Currently, the Contractor retrieves those documents, or copies thereof, and sends them to the PTO via facsimile.

3.3 ITEM 2 - Patent PostScript® File for Printing

The Contractor furnishes a weekly Patent PostScript® file for all patents in the weekly issue. It is currently being delivered on 8mm (Exabyte®) tapes along with a Tape Contents List as PostScript Level II in Unix TAR format. Each patent document appears on the tape as a single file.

3.4 ITEM 3 - Patent PostScript® File for Microfilm

The Contractor furnishes a weekly PostScript® file for all patents in the weekly issue. It is currently being delivered on 8mm (Exabyte®) tapes along with a Tape Contents List as PostScript Level II in Unix TAR format. Each patent document appears on the tape as a single file.

Item 3 is provided to the third party microfilm Contractor when the entire issue is complete.

3.5 ITEM 4 - Patent Official Gazette (OG) PostScript® File

A weekly PostScript® file is needed in order for the Government Printing Office (GPO) to print, bind, and distribute the Patent Official Gazette. The file includes sections for PTO notices, summary information about each patent document issuing that week, and three types of indexed information. These sections will follow the style and format currently in use. The page numbers follow GPO convention.

The notices will be furnished weekly by the PTO in paper and electronic format. In the first issue of each calendar year, the Contractor will include the annual consolidated listing of notices furnished by the PTO. At the end of the contract, the Contractor furnishes a file containing 1) the previous year's consolidated notices and 2) a complete listing of all PTO notices for the current year.

The OG Postscript® File is currently being delivered on 8mm Exabyte® tapes along with a Tape Contents List to the Government Printing Office (GPO).

The basic measure of acceptable quality for input data to GPO is the run capability of the tape, and acceptable appearance of style and format of the resulting pages. An unacceptable product must be replaced quickly enough not to adversely impact timely production and distribution of the weekly OG.

3.6 ITEM 5 - Patent Official Gazette Notices

The PTO requires the ability to obtain Patent Official Gazette Notices in electronic format. The current Contractor provides a copy of this file in ASCII format on a 3.5" disk.

3.7 ITEM 6 - Annual Indices (Parts I and II) PostScript® File

The Contractor applies all corrections to Patentee Index entries that may result from Certificates of Correction, which is GFP, that have been issued or from patent proofs returned weekly by the PTO for corrections which affect Index entries. The Contractor performs a computer edit check to identify and correct any possible duplications of the same company or patentee/assignee. The Contractor then furnishes, one month after the end of each calendar quarter, a quarterly alphabetical Patentee Indices proof listing of possible duplications of company and patentee/assignee names. The PTO will return the corrected patent proofs approximately three (3) weeks after receipt of the proof listing.

The basic or original entries will accumulate at the weekly issue level rate, beginning with the first issue of a calendar year, from which three (3) to four (4) cross-reference entries are generated from each original entry. Questions concerning any corrections to the Patentee Indices are submitted to the PTO for final resolution.

The Contractor furnishes PostScript® tapes for fully made-up pages of the two-volume calendar year Annual Index encompassing all issues in the calendar year, and consisting of Part I, List of Patentees and Part II, Subjects of Inventions.

At the beginning of the contract, the Contractor incorporates magnetic tape products which were produced by the incumbent Contractor. At the end of the contract, the Contractor furnishes a cumulative year-to-date file on magnetic tape.

3.8 ITEM 7 - Patentee Index Composite Data Base Tape

The Contractor furnishes an annual magnetic tape for all issued patents/certificates in numerical patent/certificate order for the Patentee Index. In addition, the Contractor makes provision to incorporate magnetic tape products which may have been produced by the incumbent Contractor. At the end of the contract, the Contractor furnishes the current year-to-date Patentee Index Composite Data Base file on magnetic tape(s).

3.9 ITEM 8 - Patent Full Text File

The Contractor furnishes an electronic Patent Full Text file for all patents in the weekly issue, excluding ITEM 1f, Reexamination Certificates and drawing pages. This data including CWUs is formatted according to the USPTO Patent Full Text Data File, (i.e., Blue Book), specification. It is currently being delivered on a 3480 compatible cartridge in ASCII text. The USPTO Blue Book specification will be made available to interested parties in the vendor information center (i.e., "reading room") (See Section 12--Availability of Documents for Review).

The PTO currently performs quality assurance on a two (2) to six (6) percent sample of each patent type on the tape, except for Design and Plant patents; for Design patents the PTO takes a 20 percent sample and for Plant patents the PTO takes a 50 percent sample. The PTO inspects each weekly tape by taking a random sample of patent applications processed against the error criteria of 12.5 errors per 100,000 codes.

The samples are grouped as follows: Utilities, Reissues, and Statutory Invention Registration Certificates (SIR's), with further breakdowns by front pages, specifications and claims; and Design and Plant patents with no further breakdowns. When the sample(s) fail, the files are returned to the Contractor for reprocessing a new ITEM 8 deliverable to eliminate the reason for rejection identified by the PTO.

Upon receipt of the new ITEM 8 deliverable, the PTO currently inspects only that part of the data content that failed in the original inspection. For instance, if a Front Page error rate of a sample

exceeds the acceptable error rate, the PTO will only reinspect the Front Pages in the new ITEM 8 deliverable.

In the future, ITEM 8 may be required as Standard Generalized Markup Language (SGML) file.

3.10 ITEM 9 - Patent Image File

This file contains 300 dpi bi-tonal image data representing every page of all weekly issue documents. This data utilizes CCITT Group IV 2-dimensional compression. This data is formatted according to the USPTO APS U.S. Patent Image Data File, (i.e., Yellow Book), specification which is comparable to WIPO ST-33 entitled "Recommended Standard Format for Data Exchange of Facsimile Information of Patent Documents." The USPTO Yellow Book specification will be made available to interested parties in the vendor information center (i.e., "reading room") (See Section 12--Availability of Documents for Review). The following general description of the USPTO Yellow Book specification is provided for informational purposes only.

Each image page is split into variable length 20,000 byte blocks with each block containing 256 bytes of index information and a maximum of 19,740 bytes of compressed image data. The index information includes the type of data on the page (bibliographic, claims, drawings, etc.), the kind of document (utility, reexamination, design, plant, etc.), the document number, the issue date and various information providing for reconstructing the document and its pages. This file is currently being delivered on multiple (i.e., 15--20) 3480 compatible cartridge tapes along with a tape contents list. There are approximately 1.3 GBytes of index and image data for an average weekly issue of 2,500 documents.

3.11 ITEM 10 - Operating Procedures Manual

The Contractor develops a comprehensive Operating Procedures Manual. This Manual is subdivided into chapters or sections wherein each such subdivision relates to each specific ITEM deliverable. This Manual covers all operations associated with all patent full text data base related work under this contract. All pertinent matters--operational, control, and quality assurance procedures--are completely described in this Manual. The Contractor furnishes revisions of the Manual on a yearly basis. The Contractor includes subjects covered in Quality Assurance Information Bulletins (QAIB) issued by the PTO as well as Contractor changes. A QAIB is a document issued to make changes in the policies and procedures for the publication of patents.

3.12 ITEM 11 - Pre-Grant Publication (PGPub) (OPTIONAL REQUIREMENT)

In order to disseminate technological advances more quickly, Congress may soon authorize publication of utility and plant patents 18 months after filing, unless they have already issued. If this occurs, the Contractor must provide the following:

Weekly Postscript® files for printing and distribution of the Patent Application Cover Sheets (PACS);

Weekly Postscript® files for printing of the PGPub OG;

Weekly text readable files of the PACs in SGML mixed mode format;

Weekly image file in TIFF 6 format; and

Annual Postscript® index file of PGPubs similar to the current Annual Index of Patents, Part I and II.

The PTO will provide electronic files containing scanned images of patent applications as filed and electronic files containing ASCII bibliographical information. The Contractor must extract the appropriate information to create the PACS and the PGPub OG.

The PACS will contain essentially the same information as the current patent front page except that both abstract and representative claim(s) will be included. Therefore, it is anticipated that most PACS will be two pages.

The OG will contain essentially the same information as the PACS.

Data capture for optional ITEM 11 is anticipated to occur approximately one year after enactment of legislation. The volume of PGPub applications is expected to increase gradually during the subsequent 18 months. Maximum volumes will depend on the form of the final legislation, but could be as much as 120% of the weekly issue.

4. MEMBERS

Members of this Project Team consist of a Project Team Leader, who has overall authority and responsibility for the successful accomplishment of the Project Objective and fulfillment of the terms of this Project Agreement. The selection and assignment of other team members has been made on the basis of the PTO's cross-functional needs and includes a warranted procurement official; program office officials; Information Technology (IT), finance, and budget analysts; and a legal representative.

5. EMPOWERMENT

This Project Agreement fully empowers the Project Team to meet the overall Project Objectives and authorizes the Project Team to take all steps necessary for the acquisition, including the development of an overall project strategy, an acquisition strategy, selection of Contractor(s), and contract administration, subject only to statutory requirements. No further authorizations are required. The Project Team Representative will update the Director, Office of Patent Publication on the progress in meeting Project Objectives on a weekly basis and as major milestones are achieved. The Procurement Executive for the Department of Commerce has issued an Individual Deviation from the FAR for this project. A copy of this individual deviation is available on the project web site.

6. ESTIMATED BUDGET

The total estimated budget for meeting the Project Objective is approximately \$110 million over a five year contract period. Funding will be available on a yearly basis and may increase if optional requirements are implemented. The Project Team prefers to make an award to a single firm.

However, the Project Team reserves the right to make multiple awards if it is determined to be in the best interests of the PTO.

7. MILESTONES

The Project Team's goal is to award the contract by February 1998. This date does not constitute a commitment by the PTO that this milestone will be achieved, but is strictly an estimate for planning purposes. The team anticipates issuing a draft Statement of Need (SON) containing more detailed target milestones to prospective offerers in late September, 1997.

8. TERM

The term of the project begins on the date of this document and concludes when the contract(s) has been awarded, the Contractor(s) is/are in place, required products have been delivered, and close-out functions are completed. The anticipated period of performance of this contract is a one year base period and four one-year option periods.

9. ACQUISITION STRATEGY

This Project Agreement will be available electronically on the **Department's Concept of Operations (CONOPS) Home Page** (<http://www.conops.doc.gov>) under PTO projects. The Patent Data Capture Project will be conducted in two (2) phases. Phase I consists of publishing this Project Agreement for the purpose of opening communication channels with industry, reviewing descriptions of technical and quality approaches capable of meeting the Project Objective and developing an acquisition strategy that will include evaluation discriminators resulting in selection of a proposal offering the best value to the PTO.

In Phase II, the Project Team will consider input received in response to this Project Agreement to develop and issue a draft Statement of Need (SON). Revisions may be made to the draft SON based on any comments/questions received, and a final SON will be issued which will solicit proposals from vendors. The Project Team does not anticipate the need for a pre-proposal conference; however, one will be held if it is determined beneficial. The Project Team may conduct oral discussions in an effort to determine which offer constitutes the best value to the PTO. The Project Team reserves the right to award a contract at any time in the acquisition process following receipt of proposals submitted in response to the SON.

After contract award, and if deemed necessary, the PTO will provide sample test data to the Contractor for production of test deliverables. If the Contractor is unable to produce the test deliverables in accordance with the delivery schedule and terms set forth in the contract, the contract will be terminated for default.

This acquisition is expected to be awarded under Standard Industrial Classification (SIC) Code 2741 on the basis of full and open competition, but small business opportunities may be considered.

10. GROUND RULES FOR PHASE I

This acquisition will generally be conducted according to the CONOPS, as described in **Department of Commerce Acquisition Process Case for Change**, and the FAR except for departmental deviations which have been granted.

The PTO is seeking, through this Project Agreement, varied concepts and innovative approaches on how to accomplish all requirements of the Project Objective. Publishing of this Project Agreement is intended to provide industry an overview of the requirements and to open a formal communication channel between industry and the Patent Data Capture Project Team. The Project Team welcomes industry comments, questions and suggestions which will aid the Team in preparing the SON and provide industry with a better understanding of this project.

Interested parties shall be responsible for accessing the web page (<http://www.conops.doc.gov>) for PTO responses to industry questions. All questions and responses will be posted at this location. Interested parties are also asked to submit a written response to the Project Agreement (See Section 11 for Format of Written Submissions) which addresses the following:

- (1) Description of Technical and Quality Approaches
- (2) Comments and Suggestions

STEP 1. PUBLISH PROJECT AGREEMENT/MARKET SURVEY

Availability of the Project Agreement on the **Department's CONOPS Home Page** (<http://www.conops.doc.gov>) was announced in the CBD.

STEP 2. INVITE AND RECEIVE INDUSTRY SUBMISSIONS

Parties who wish to provide written submissions to this Project Agreement are asked to submit documents in accordance with Section 11, Format of Written Submissions. All questions and responses will be handled in accordance with Section 13, Questions and Responses.

STEP 3. REVIEW INDUSTRY SUBMISSIONS

The purpose of this step is to review descriptions of varied technical and quality approaches capable of meeting the Project Objective and review comments and suggestions provided by industry regarding evaluation methodologies, acquisition strategy and SON preparation.

11. FORMAT OF WRITTEN SUBMISSIONS

A. DESCRIPTION OF TECHNICAL AND QUALITY APPROACHES

This submission presents a vendor's understanding of the scope of the project objective and an overall approach in providing the required products. The approach presented

should address varying workload levels. Vendors are asked to provide a general description of their Quality Assurance (QA) Plan. Included in the description of the QA Plan, the vendor is asked to state whether their company is ISO 9000 certified. Multiple or alternative technical and quality approaches are welcome.

B. COMMENTS/SUGGESTIONS

For the Comments/Suggestion submission, the vendor is encouraged to provide any comments or recommendations they may have on evaluation methodology and factors, acquisition strategy or other issues that would assist the Project Team developing the SON. The vendor is also encouraged to provide suggestions for inclusion of information in the SON that would enable the vendor to prepare a complete and accurate proposal.

Interested parties are advised that their concepts, comments and suggestions provided in response to this Project Agreement may be incorporated into the SON.

The total number of pages for information requested by Sections A and B above should not exceed twenty (20) pages. Ten (10) copies of the submissions should be in paper form and on one (1) 3.5", High Density diskette, formatted for IBM compatible personal computers, in Microsoft Word 6.0, formatted for 8 1/2" by 11" white paper, single spaced with margins of one (1) inch on all sides. The type for all documents submitted (including charts and graphs) should be black, should not exceed twelve (12) characters per linear inch or be smaller than twelve (12) point, and should not exceed six (6) lines per vertical inch.

All documents/diskettes are to be received by close of business August 22, 1997, in the U. S. Patent and Trademark Office, Office of Procurement to the attention of Susan Messina. All documents/diskettes should be delivered as a single package. Depending on the mode of delivery, submissions should be addressed as follows:

U.S. Postal Service

U. S. Department of Commerce
Patent and Trademark Office
Office of Procurement
Attn: Susan Messina
Box 6
Washington, DC 20231

Courier or Express Mail Service

U. S. Patent and Trademark Office
Office of Procurement
Attn: Susan Messina
2011 Crystal Drive
Crystal Park One, Suite 810
Arlington, VA 22202

12. AVAILABILITY OF DOCUMENTS FOR REVIEW

The PTO Project Team is currently in the process of establishing a vendor information center (i.e. "reading room") to provide interested parties with access to relevant documents. More information regarding the vendor information center will be posted at the project web site in the near future.

13. QUESTIONS AND RESPONSES

Questions pertaining to this Project Agreement are requested to be submitted electronically at <http://www.conops.doc.gov>. All questions and answers will be published and made available at <http://www.conops.doc.gov>. The identity of the author of the question will not be published. All responses provided by the PTO will be identified by "PTO Response." Answers will be published as soon as possible.

14. CURRENT CONTRACT INFORMATION

The incumbent Contractor is Reed Technology and Information Services, Inc., 275 Gibraltar Road, Horsham, PA 19044. The current contract number is 50-PAPT-4-00009. Any further information regarding the current contract must be requested pursuant to the Freedom of Information Act (FOIA). FOIA requests shall be submitted to the following address:

U.S. Patent and Trademark Office
Attn: Office of the Solicitor
2121 Crystal Drive
CPK 2, Suite 918
Arlington, VA 22202